

## Message Text

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PAGE 01 STATE 002473  
ORIGIN EB-07

INFO OCT-01 EUR-12 EA-07 IO-13 ISO-00 JUSE-00 SIG-01  
AID-05 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 USIA-06  
TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01  
OMB-01 NSC-05 SS-15 STR-04 CEA-01 L-03 H-01 DODE-00  
PA-01 PRS-01 INT-05 /112 R

DRAFTED BY EB/OT/STA:MCJONES:MH  
APPROVED BY EB/OT/STA:JSSPIRO  
TREAS:LBARDEN  
EUR/RPE:ECASEY  
EA/J:DSMITH  
STR:JGREENWALD (INFO)  
JUSTICE:MNEVILLE  
L/EB:CROH

-----060512Z 086595 /15

R 060051Z JAN 77  
FM SECSTATE WASHDC  
TO USMISSION EC BRUSSELS  
INFO AMEMBASSY BRUSSELS  
AMEMBASSY BONN  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY THE HAGUE  
AMEMBASSY PARIS ROME  
AMEMBASSY LONDON  
AMEMBASSY LUXEMBOURG  
AMEMBASSY TOKYO  
USMISSION GENEVA  
USDEL MTN GENEVA  
USMISSION OECD PARIS

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E.O. 11652: N/A  
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TAGS: ETRD, EEC

SUBJECT: U.S. STEEL ACTION IN CUSTOMS COURT AGAINST  
REBATE OF VAT

REF: (A) STATE 305193 12/16/76 (NOTAL), (B) STATE 282870

11/17/76 (NOTAL)

1. ON JANUARY 6, A PRETRIAL ORDER WILL BE ISSUED SETTING FORTH PROPOSED SCHEDULE IN U.S. STEEL CASE AGAINST THE REBATE OF THE VALUE-ADDED TAX ON STEEL EXPORTED FROM THE EC. ACCORDING TO THE SCHEDULE, TRIAL OF THE CASE WOULD BEGIN ON DECEMBER 5 AND WOULD TAKE AN ESTIMATED TWO-THREE WEEKS. (FYI. IN CONFERENCE WITH CHIEF JUDGE AND JUSTICE ATTORNEYS, U.S. STEEL REPS INSISTED THEY COULD NOT BE PREPARED FOR TRIAL EARLIER. END FYI.) U.S. STEEL APPEARS TO DESIRE THAT THE CASE GO TO TRIAL. THERE IS A REMOTE POSSIBILITY THAT THE COMPANY MAY MOVE FOR SUMMARY JUDGMENT IF THE DECISION IN THE ZENITH CASE REGARDING REBATE OF THE COMMODITY TAX ON EXPORTS OF ELECTRONIC PRODUCTS FROM JAPAN IS AGAINST THE USG. ON THE OTHER HAND, IF THE DECISION IN ZENITH IS IN FAVOR OF THE USG, JUSTICE ATTORNEYS MIGHT POSSIBLY MOVE FOR A SUMMARY JUDGMENT IN U.S. STEEL, ALTHOUGH THE COMPANY IS LIKELY TO ASSERT THAT THE ISSUES ARE NOT THE SAME.

2. WITH THIS DELAY IN THE U.S. STEEL CASE, IT IS POSSIBLE THAT THE FULL APPELLATE PROCESS (COURT OF CUSTOMS AND PATENT APPEALS AND SUPREME COURT) IN ZENITH COULD BE COMPLETED PRIOR TO A CUSTOMS COURT DECISION IN U.S. STEEL. JUSTICE ATTORNEYS ARE PLEASED WITH THIS TIMETABLE.  
KISSINGER

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Drafter:** MCJONES:MH  
**Enclosure:** n/a  
**Executive Order:** N/A  
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**Review Markings:**  
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